



America's Finest City

THE CITY OF SAN DIEGO



# **Assessment Engineer's Report**

## **DEL MAR TERRACE MAINTENANCE ASSESSMENT DISTRICT**

**Annual Update for Fiscal Year 2010**

**under the provisions of the**

**San Diego Maintenance Assessment District Ordinance  
of the San Diego Municipal Code**

**and**

**Landscaping & Lighting Act of 1972  
of the California Streets & Highways Code**

**Prepared For**

**City of San Diego, California**

**Prepared By**

**AECOM**

7807 Convoy Court, Suite 200  
San Diego, CA 92111  
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**May 2009**

**AECOM**

# **CITY OF SAN DIEGO**

## **Mayor**

Jerry Sanders

## **City Council Members**

Sherri Lightner  
District 1

Carl DeMaio  
District 5

Kevin Faulconer  
District 2 (Council President Pro Tem)

Donna Frye  
District 6

Todd Gloria  
District 3

Marti Emerald  
District 7

Anthony Young  
District 4

Ben Hueso  
District 8 (Council President)

## **City Attorney**

Jan Goldsmith

## **Chief Operating Officer**

Jay Goldstone

## **City Clerk**

Elizabeth Maland

## **Independent Budget Analyst**

Andrea Tevlin

## **City Engineer**

Afshin Oskoui

## **Assessment Engineer**

AECOM USA, Inc.

# Table of Contents

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## Assessment Engineer's Report

### Del Mar Terrace Maintenance Assessment District

Preamble.....	1
Executive Summary .....	2
Background .....	3
District Proceedings for Fiscal Year 2010.....	4
Bond Declaration .....	5
District Boundary.....	5
Project Description .....	5
Separation of General and Special Benefits.....	6
Cost Estimate.....	6
Estimated Costs .....	6
Annual Cost-Indexing.....	6
Method of Apportionment.....	6
Unit Assessment Rate.....	7
Summary Results .....	8

## EXHIBITS

Exhibit A: Boundary Map

Exhibit B: Estimated Annual Expenses, Revenues & Reserves

Exhibit C: Assessment Roll

# Assessment Engineer's Report

## Del Mar Terrace

## Maintenance Assessment District

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### Preamble

Pursuant to the provisions of the "San Diego Maintenance Assessment District Ordinance" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscaping and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), applicable provisions of "Proposition 218" (being Article XIID of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law"), in connection with the proceedings for the DEL MAR TERRACE MAINTENANCE ASSESSMENT DISTRICT (hereinafter referred to as "District"), AECOM USA, INC., as Assessment Engineer to the City of San Diego for these proceedings, submits herewith this report for the District as required by California Streets and Highways Code Section 22565.

FINAL APPROVAL, BY RESOLUTION NO. \_\_\_\_\_ ,  
ADOPTED BY THE CITY COUNCIL OF THE CITY OF SAN  
DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, ON THE  
\_\_\_\_\_ DAY OF \_\_\_\_\_, 2009.

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Elizabeth Maland, CITY CLERK  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

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## Executive Summary

**Project:** Del Mar Terrace  
Maintenance Assessment District

**Apportionment Method:** Equivalent Dwelling Unit (EDU)

	<b>FY 2009</b>	<b>FY 2010 <sup>(1)</sup></b>	<b>Maximum Authorized</b>
<b>Total Parcels Assessed:</b>	338	336	--
<b>Total Estimated Assessment:</b>	\$65,427	\$65,427	--
<b>Total Number of EDUs:</b>	339.00	339.00	--
<b>Assessment per EDU:</b>	\$193.00	\$193.00	\$193.00

<sup>(1)</sup> FY 2010 is the City's Fiscal Year 2010, which begins July 1, 2009 and ends June 30, 2010. Total Parcels Assessed, Total Estimated Assessment, and Total Number of EDUs may vary from prior year values due to parcel changes.

**District History:** The District was established in May 1994.

**Annual Cost-Indexing:** Indexing of assessments is not permitted under the current apportionment methodology.

**Bonds:** No bonds will be issued in connection with this District.

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## Background

In the 1960's, a developed area known as Del Mar Terrace was annexed to the City of San Diego (City). At that time the streets were not improved to City standards, and therefore were not accepted for maintenance by the City. Historically, the streets have been in a deteriorated condition, resulting in numerous complaints from property owners. The City's Capital Improvement Program does not include improvement of these streets since they were not constructed to City standards. As such, only minimal City maintenance is provided.

Between 1984 and 1989, there were several unsuccessful petition efforts by property owners to improve these streets to City standards using the Municipal Improvement Act of 1913 for assessment district financing. On January 15, 1991 and January 27, 1992, the City Council accepted two separate property owner petitions (under Resolutions R-277215 and R-279357, respectively). The January 27, 1992 petition included sixty-two protest waivers signed by property owners. The City Council then authorized the City Manager to prepare preliminary plans, specifications, and cost estimates for street improvements to current City standards for the Del Mar Terrace neighborhood.

On August 5, 1993, staff from the City's Engineering & Development Department met with Del Mar Terrace property owners to explain the proposed improvement project, the estimated project costs, and the estimated assessments. At this meeting many owners expressed concern over the scope and cost of the project (\$6.5 to \$7.5 million). Citizens requested that City staff investigate alternative ways to lower the project costs and explore other options available to improve the streets. At a subsequent meeting held on October 21, 1993, staff from the City's Engineering & Development Department presented property owners with a variety of improvement alternatives, as well as a new option to form a district to fund the repair of the streets with asphalt pavement four (4) inches thick without typical amenities (i.e., storm drains and sidewalks), and provide annual street maintenance.

On November 24, 1993, all property owners of record within the proposed district boundaries were mailed an explanation letter and survey postcard that listed the various street improvement or maintenance and repair options. Owners were asked to select their preferred option choice on the postcard and mail it back to the City. The results of this postcard survey (as tabulated on January 18, 1994)

were:

◆ <i>Survey Cards Sent:</i>	334
◆ <i>Survey Cards Returned:</i>	262 (78%)
◆ In Favor of Forming a District to Construct a Substandard Street:	65%
◆ In favor of Doing Nothing:	20.5%
◆ In Favor of Forming a District to Construct a City Standard Street:	14%
◆ Other:	0.5%

The results of the survey indicated that a majority (65%) of property owners preferred to form a district to construct a substandard street.

The Del Mar Terrace Maintenance Assessment District (District) was established in May 1994. The original Assessment Engineer's Report (Document No. RR-283873, filed May 16, 1994) is on file in the City Clerk's office. The District was established to fund initial capital improvements and continuing periodic maintenance. With the capital improvements (substandard streets) completed in Fiscal Year 1995, the purpose of the District is to fund the periodic maintenance of the substandard streets. No assessment has been levied for Fiscal Years 1996 through 2004.

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## District Proceedings for Fiscal Year 2010

This District is authorized and administered under the provisions of the "San Diego Maintenance Assessment District Procedural Ordinance of 1986" (being Division 2, Article 5, Chapter VI beginning at Section 65.0201 of the San Diego Municipal Code), provisions of the "Landscaping and Lighting Act of 1972" (being Part 2 of Division 15 of the California Streets and Highways Code), and applicable provisions of "Proposition 218" (being Article XIII D of the California Constitution), and provisions of the "Proposition 218 Omnibus Implementation Act" (being California Senate Bill 919) (the aforementioned provisions are hereinafter referred to collectively as "Assessment Law").

The purpose of the proposed proceedings and this Assessment Engineer's Report is to update the District budget and assessments for Fiscal Year 2010. The Fiscal Year 2010 assessments proposed within

this Assessment Engineer's Report are equal to or less than the maximum authorized assessment. Therefore, the vote requirements of Section 4 of Article XIID do not apply to these proceedings.

A public hearing will be scheduled where public testimony will be heard by the Council, and the Council may, at its discretion, adopt a resolution ordering the levying of the proposed assessments.

### **Bond Declaration**

No bonds will be issued in connection with this District.

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### **District Boundary**

The Boundary Map for the District (Document No. M-332-1) is on file with the City Clerk, and by reference is made a part of this report. The Boundary Map is available for public inspection during normal business hours. A reduced copy of the Boundary Map is depicted in Exhibit A.

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### **Project Description**

The project to be funded by the proposed assessments is initial street repair work and continuing periodic maintenance. The specific repair and maintenance services to be provided to the district area as follows:

- ◆ Remove four (4) inches of the existing roadway;
- ◆ Place two and one-half (2½) inches of asphaltic concrete and a surface overlay of one and one-half (1½) inches of rubberized asphalt.

The above listed repairs were to be provided for one year terminating on June 30, 1995.

Continued maintenance includes slurry coating the streets at both five and ten years, and adding an additional overlay of one (1) inch of asphaltic concrete during the fifteenth year.



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## Separation of General and Special Benefits

Consistent with City policy for the public at large, the City provides periodic repair and maintenance service on City standard streets. The City's Capital Improvement Program does not include improvement of substandard streets; only minimal City maintenance is provided. The cost of repairing and maintaining substandard streets (a service not provided to the public at large) is considered to be a "special benefit" to the properties within the District.

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## Cost Estimate

### Estimated Costs

Estimated Fiscal Year 2010 annual expenses, revenues, reserves, and assessments (provided by the City) for the District are included as Exhibit B hereto. For historical reference, the following costs were estimated in 1994:

◆ FY 1995 Capital Improvements: (substandard street construction)	\$1,020,000
◆ Annual Maintenance Funding:	\$65,000

### Annual Cost-Indexing

With the passage of Proposition 218, any proposed increase in assessments must be placed for approval before the property owners by a mail ballot and a public hearing process. A majority of ballots received must be affirmative for the City Council to confirm and levy the increased assessments. The current assessments (established in 1994) are not authorized to be indexed (increased or decreased) without a vote of the affected property owners.

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## Method of Apportionment

The costs of street repair and maintenance have been apportioned to the parcels in the District based on each parcel's estimated equivalent dwelling units (EDUs). EDUs for each parcel have been determined based on an EDU Factor applicable to the subject land use, as shown in the following equation:

$$\text{EDUs} = (\text{Acres or Units}) \times \text{EDU Factor}$$

The total assessment for a given parcel is equal to the parcel's total EDUs multiplied by the unit assessment rate, as shown in the following equation:

$$\text{Total Assessment} = \text{Total EDUs} \times \text{Unit Assessment Rate}$$

Current parcel land uses, corresponding EDU factors, and District EDUs are summarized in Table 1.

**TABLE 1: District EDU Summary**

Existing Land Use	Code	EDU Factor	Total EDUs
Single Family Dwelling	SFD	1.0 per unit	287.00
Condominium	CND	0.7 per unit	14.70
Multi-Family Dwelling	MFR	0.7 per unit	17.50
Commercial	COM	15.0 per acre	19.80
Street/Roadway	STR	0.0 per acre	0.00
Undevelopable	UND	0.0 per acre	0.00
<b>TOTAL</b>			<b>339.00</b>

### Unit Assessment Rate

The authorized unit assessment rates (unit costs per EDU) established in 1994 are as follows:

- ◆ FY 1995 (first year): \$3,026 per EDU
- ◆ Annual (subsequent years): \$193 per EDU

No assessment has been levied for Fiscal Years 1996 through 2005.

As described above, the total assessment assigned to each parcel has been calculated based on the preceding factors. Based on the above methodology, the apportionment factors, EDUs, unit assessment rates, and total assessment calculated for each parcel can be found in the Assessment Roll (Exhibit C).

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## Summary Results

The Boundary Map for the District is shown in Exhibit A.

An estimate of the costs of the improvements provided by the District is included as Exhibit B to this report.

The assessment methodology utilized is as described in the text of this report. Based on this methodology, the EDUs and Fiscal Year 2010 District assessment for each parcel were calculated and are shown in the Assessment Roll (Exhibit C).

Each lot or parcel of land within the District has been identified by unique County Assessor's Parcel Number on the Assessment Roll and the Boundary Map and Assessment Diagram referenced herein. The net assessment for each parcel for Fiscal Year 2010 can be found on the Assessment Roll.

This report has been prepared and respectfully submitted by:

AECOM USA, INC.

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Eugene F. Shank, PE

C 52792

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Carolyn R. Crull

I, \_\_\_\_\_, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the Assessment as shown on the Assessment Roll, together with the Assessment Diagram, both of which are incorporated into this report, were filed in my office on the \_\_\_\_ day of \_\_\_\_\_, 2009.

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Elizabeth Maland, CITY CLERK  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

I, \_\_\_\_\_, as CITY CLERK of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the Assessment Diagram incorporated into this report, was approved and confirmed by the CITY COUNCIL of said City on the \_\_\_\_ day of \_\_\_\_\_, 2009.

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Elizabeth Maland, CITY CLERK  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

I, \_\_\_\_\_, as CITY ENGINEER of the CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, CALIFORNIA, do hereby certify that the foregoing Assessment, together with the Assessment Diagram was recorded in my office on the \_\_\_\_ day of \_\_\_\_\_, 2009.

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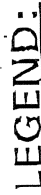
Afshin Oskoui, CITY ENGINEER  
CITY OF SAN DIEGO  
STATE OF CALIFORNIA

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# **EXHIBIT A**

COUNTY OF SAN DIEGO, STATE OF CALIFORNIA

(NOTE: INTERFERENCE THE SAN DIEGO COUNTY OFFICIAL RECORD MAPS AND ASSESSOR'S PARCEL MAPS FOR A DETAILED DESCRIPTION OF LOT LINES, PARCEL LINES AND DIMENSIONS.



DISTRICT BOUNDARY  
PARCEL BOUNDARY  
ASSESSMENT NUMBER

# **EXHIBIT B**

# EXHIBIT B - Estimated Annual Expenses, Revenues & Reserves

Del Mar Terrace - Fund 70246

	FY 2008 BUDGET	FY 2009 BUDGET	FY 2010 BUDGET
<b>BALANCE FROM PRIOR YEAR</b>	<b>\$ 269,497</b>	<b>\$ 373,502</b>	<b>\$ 461,516</b>
<b>REVENUE</b>			
Assessments	\$ 65,427	\$ 65,427	\$ 65,427
Interest	\$ 5,800	\$ 8,800	\$ 15,800
Environmental Growth Fund	\$ -	\$ -	\$ -
Gas Tax Fund	\$ -	\$ -	\$ -
General Fund	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 71,227</b>	<b>\$ 74,227</b>	<b>\$ 81,227</b>
<b>TOTAL BALANCE AND REVENUE</b>	<b>\$ 340,724</b>	<b>\$ 447,729</b>	<b>\$ 542,743</b>
<b>EXPENSE</b>			
CAPITAL IMPROVEMENTS PROGRAM	\$ -	\$ -	\$ 420,000
<b>OPERATING EXPENSE</b>			
Personnel	\$ -	\$ -	\$ -
Contractual	\$ -	\$ -	\$ -
Incidental	\$ 1,000	\$ 1,000	\$ 5,500
Utilities	\$ -	\$ -	\$ -
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 5,500</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,000</b>	<b>\$ 1,000</b>	<b>\$ 425,500</b>
<b>RESERVE</b>			
Contingency Reserve	\$ 339,724	\$ 446,729	\$ 117,243
<b>TOTAL RESERVE</b>	<b>\$ 339,724</b>	<b>\$ 446,729</b>	<b>\$ 117,243</b>
<b>BALANCE</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>TOTAL EXPENSE, RESERVE AND BALANCE</b>	<b>\$ 340,724</b>	<b>\$ 447,729</b>	<b>\$ 542,743</b>



# **EXHIBIT C**

Due to the size of the Assessment Roll (Exhibit C), only limited copies are available. Please contact the City of San Diego, Park & Recreation Department, Open Space Division, Maintenance Assessment Districts Program at (619) 685-1350 to review the Assessment Roll.